IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 110 of 2003

For Approval and Signature:
HONOURABLE MR.JUSTICE R.S.GARG

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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MAHADEV PAPER CORPORATION - Petitioner(s)
Versus
KARNAVATI OFFSET PVT. LTD. - Respondent(s)

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Appearance :
MRS SWATI SOPARKAR for Petitioner(s) : 1,
MR JD ACHARYA for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE R.S.GARG
Date : 12/04/2006

ORAL JUDGMENT

1. Mrs. Swati Soparkar, learned counsel for the petitioner and Mr. J.D. Acharya under the authority of Mr. P.R. Nanavati for the respondent.

2. On 20th July, 2005, the petition was admitted, but advertisement was deferred to give breathing time to the respondent company. It appears that despite lapse of six months, the respondent company did not do

anything nor took any steps to make payment of the dues of the petitioner. This Court, on 10.1.2006, directed that let hearing be advertised in the daily newspapers. The petitioner has accordingly issued advertisements and has filed affidavit in support of the said statement along with copy of the newspapers.

3. It appears from the proceedings dated 20th July, 2005 that secured creditors have attached the property of the company by invoking provisions contained under the Securitisation Act. It is not the submission of the learned counsel for the respondent company that the order of attachment has ever been challenged by them or they have taken any action against such secured creditors. From the conduct of the respondent company, when it appears that it has lost its substratum, it is unable to pay its debts and it has become financially bankrupt and even its property (some or all is not known to anybody) has been attached by some secured creditors by invoking provisions contained in the Securitisation Act, I am of the considered opinion that the respondent company deserves to be wound up. It is accordingly directed that the company stands wound up. The Official Liquidator associated with this Court is appointed as Official Liquidator. The Official

Liquidator would be entitled to ask the directors/officers of the respondent company to submit statement of affairs enabling the Official Liquidator to know as to what are the properties of the company. At this stage, I am not passing any order directing the Official Liquidator to take possession of the property belonging to the company, because, it is not known to anybody that what are the properties of the company and which property has been attached by the secured creditors, which is still not known to the parties. The Official Liquidator may make an inquiry into the matter and if he finds that some property has not been attached by the secured creditors under the provisions of the Securitisation Act, then, he shall immediately proceed to take possession of the said property and in case, he finds that the property belonging to the respondent company has been attached by the secured creditors under the provisions of the Securitisation Act, then, he shall submit such report to this Court so that further orders can be passed. The petition stands disposed of.

[R.S. GARG, J.]

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